NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

THIS LEASE AGREEMENT is made this 215T

PAID UP OIL AND GAS LEASE

(No Surface Use)

TIMOTHY C. January One Sheila H. Turner by herein dealing in their sale and seforate whose addresss is 1708 Such CANTANS Road Fall-Lubeth TEALS 76/2 as Lessor, and, DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Suite 1870 Daltas Texas 75201, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a called lessend promises:

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in the County of Tarrant. Solts of TEXAS, containing		HE CARUEK	HEIGHTS	. /		OT NOITIDDA V	
severision, prescription or cherwise). For the purpose of exploring pri, developing, poducing and marketing oil and gas, along with all hydrocathon and non-hydrocathon commonly of the purpose of exploring prices. The interest of the purpose of th			TARRA	NT COUNTY, TEXAS OF THE PL	ACCORDING TO THAT AT RECORDS OF TARR	CERTAIN PLAT ANT COUNTY, TE	RECORDED EXAS.
as from therefater as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect particular to the provision hereof. See a particular to the provision hereof. See a particular desired to the lease of particular to the provision hereof. See a particular desired to the lease of the season of the particular to the well-based or to lease of some such production at the wellhead or to lease's register to device the provision of the provision	reversion, pro substances pro- commercial grand now or land now agree	escription or otherwise), for produced in association to pases, as well as hydrocan hereafter owned by Lesso is to execute at Lessee's re	or the purpose of exploring for, di nerewith (including geophysical/si bon gases. In addition to the ab- which are contiguous or adjacen squest any additional or supplement	eveloping, producing and me eismic operations). The te eisme operations in the te eisme operations. The te eisme operations in the terminal instruments for a more of the eisme operations in the terminal instruments for a more of	arketing oil and gas, along with irm "gas" as used herein inclu- es, this lease also covers accre sed premises, and, in considera omplete or accurate description	all hydrocarbon and des helium, carbon d tions and any small st tion of the aforementic of the land so covered.	non hydrocarbon ioxide and other rips or parcels of oned cash bonus, For the purpose
3. Royalties on oil, gas and other substances produced and aways hereprode shall be paid by Lesses a follows: (a) For oil and other liquid hydrozatows separated at Lesses shall have the continuing right to purchase such production at the vertice of the provided in the same field of if there is no such prote them provating in the same field (or if there is no such prote them provating in the same field (or if there is no such prote them provating in the same field (or if there is no such prote them provating in the substances cowered hereby, the mystly shall be production, severance, or other excises taxes and the costs incurred by Lesses in the same field, then the costs incurred by Lesses in the same field, then the costs incurred by Lesses in the same field, then the same field, then in the nearest field of which there is such a provating proteip production of smills analysis in the same field (or if there is no such price them provating in the same field for if there is no such price them provating in the same field for if there is no such price them provating in the same field for if there is no such price them provating in the same field for if there is no such price and production and the same field, there is no such price and the same field, there is no such price and production and the same field, there is no such price and production of the same field for if there is no such price and production of the same field for its same field or with their some field or with their some field or with their some same field in which there is such a provating problem production or comparable purchase contracts entered into on such price and the same field for the same field in which there is such as provating production and the same field in the same field for its same field or with the same field or the same field or the same field or the same field or the s	as long there	after as oil or gas or other	substances covered hereby are pr	pe in force for a primary term coduced in paying quantities	of five 5 from the leased premises or from		
4. All shut-in royalty payments under this lesses shall be paid or tendered to Lessor or to Lessor's address above or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land lapyaments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamped envelope addressed to the depository or to the Lessor and the standards known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fall or refuse to accept payments. 5. Except as provided for in Paragraph 3 above; if Lessee drills are less than a well which is in incapable of producing in paying quantities (hereinather called "orly hole") on the lessee premises or lands pooled therewith or If all production (whether or not in paying quantities) permanently cleases from any cause, including a revision of unit boundaries permanent in force if Lessee commences operations for reworking an existing well or for chilling an additional well or for otherwise obtaining or restoring production on the leased permises or lands pooled therewith within 90 days after completion of operations or such thy hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not clearly one or more of such operations are prosecuted with on cessation of more than 90 consecutive days, and if any such operations result in the production of more than 90 consecutive days, and if any such operations result in the production of old gas or other substances covered hereby, as long thereafter as there is production in paying quantities premises or lands pooled therewith. There shall be no coverant to drill under the same or similar circumstances there is production in paying quantities premises or lands production in paying quantities hereunder in the production of the paying	separated at Lessor at the the wellhead prevailing production, s Lessee shall no such price the same or more wells o are waiting o be deemed it there from is Lessor's crec while the we is being sold following cesterminate this	ralties on oil, gas and other Lessee's separator facilities wellhead or to Lessoe's exparator facilities wellhead or to Lessoe's market price then prevail toet, for production of single experience, or other excise have the continuing right to the prevailing in the same areast preceding date as in the leased premises or In hydraulic fracture stimulates to be producing in paying to the producing in paying in the depository design or wells are shut-in or proby Lessee from another in section of such operations is lease.	r substances produced and saved es, the royalty shall be redit at the oil purchaser's transpoing in the same field (or if there is shilar grade and gravity; (b) for general ways and the costs incurred by Leopurchase such production at the field, then in the nearest field in the date on which Lessee comme ands pooled therewith are capable ation, but such well or wells are eith quantities for the purpose of mainted below, on or before the endoduction there from is not being so well or wells on the leased premis or production. Lessee's failure to	ration facilities, provided the sono such price then prevail as (including casing head realized by Lessee from essee in delivering, process prevailing wellhead market n which there is such a prevances its purchases hereund of either producing oil or gater shut-in or production the pinning this lease. If for a people of said 90-day period and the laby Lessee; provided that es or lands pooled therewill properly pay shut-in royalty	%) of such production the same field, then in the gas, and all other substances the sale thereof, less a proposing or otherwise marketing such price paid for production of similalling price) pursuant to comparer; and (c) if at the end of the price of t	n, to be delivered at L ing right to purchase s e nearest field in which covered hereby, the rionate part of ad vargas or other substant ar quality in the same able purchase contractimary term or any time nereby in paying quantities, such well or wells such well or wells are shuch payment to be mad versary of the end of suaintained by operation a until the end of the 9 he amount due, but she	essee's option to uch production at h there is such a royalty shall be librem taxes and æs, provided that field (or if there is is entered into on thereafter one or ties or such wells shall nevertheless it-in or production te to Lessor or to aid 90-day period s, or if production 0-day period next hall not operate to
6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or norizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of th	4. All a be Lessor's a draft and suc address kno payment her 5. Exc premises or pursuant to nevertheless on the lease the end of the operations runo cessation there is proc. Lessee shall to (a) develor leased premisers.	shut-in royalty payments undepository agent for received payments or tenders to win to Lessee shall constitute eunder, Lessor shall, at Lestept as provided for in Parallands pooled therewith, of the provisions of Paragras aremain in force if Lessee de premises or lands poole ne primary term, or at any easonably calculated to obtain of more than 90 consect duction in paying quantities at drill such additional wells up the leased premises at sises from uncompensated	ing payments regardless of change Lessor or to the depository by de ite proper payment. If the deposit ssee's request, deliver to Lessee a agraph 3. above, if Lessee drills a if all production (whether or not ph 6 or the action of any govern commences operations for rework d therewith within 90 days after co time thereafter, this lease is not tain or restore production therefror tive days, and if any such operation from the leased premises or lands on the leased premises or lands put to formations then capable of pro- drainage by any well or wells local	as in the ownership of said la posit in the US Mails in a stroop should liquidate or be so a proper recordable instrume well which is incapable of p in paying quantities) permimental authority, then in t ing an existing well or for di mpletion of operations on su otherwise being maintained in, this lease shall remain in ons result in the production is pooled therewith. After cooled therewith as a reasonand	and. All payments or tenders may amped envelope addressed to the coceeded by another institution, and naming another institution as roducing in paying quantities (he amently ceases from any cause he event this lease is not other is the company of a well capable of paying the completion of a well capable of paying the company of the leased premises or land on the leased premises or land	y be made in currency, ne depository or to the or for any reason fail o depository agent to rec- preinafter called "dry how including a revision of revise being maintaine nerwise obtaining or re- ter such cessation of a gaged in drilling, rewolle e of such operations are so covered hereby, as roducing in paying qual under the same or sim- is pooled therewith, or	or by check or by Lessor at the last in refuse to accept theive payments. (se') on the leased of unit boundaries of in force it shall storing production. If arking or any other prosecuted with long thereafter as antities hereunder illar circumstances (b) to protect the
	6. Let depths or ze proper to do unit formed horizontal or completion to of the foregy prescribed, feet or more equipment; equipment; component Production, reworking onet acreage Lessee. Pounit formed prescribed or making such leased prescribed to the control of the control o	see shall have the right bones, and as to any or all so in order to prudently dispayed by such pooling for an oil ampletion shall not exceed to conform to any well spayed, the terms "oil well" as "oil well" means a well with e per barrel, based on 2 and the term "horizontal and the term "horizontal thereof. In exercising its drilling or reworking oper perations on the leased procovered by this lease an oiling in one or more instance or permitted by expansion or permitted by the govern a revision, Lessee shall nises is included in or excl.	ut not the obligation to pool all or substances covered by this lease evelop or operate the leased prem well which is not a horizontal comp 640 acres plus a maximum acreating or density pattern that may be not "gas well" shall have the mean an initial gas-oil ratio of less than a-hour production test conducted completion" means an oil well in ompletion" means an oil well in ompletion means an oil well in the incompletion of the incompletion of the incompletion of the unit bears to the contraction or both, either beforemental authority having jurisdiction in the unit by virtue of such soft of the properties of the particular of the production of the unit by virtue of such explosion of the particular of the	the ither before or after the ises, whether or not similar poletion shall not exceed 80 a ge tolerance of 10%; provide prescribed or permitted by ings prescribed by applicab 100,000 cubic feet per barrounder normal producing or which the horizontal componishall file of record a written includes all or any part of to on which Lessor's royalty is a total gross acreage in the poling rights hereunder, and the or after commencement on, or to conform to any prodescribing the revised unit a herevision, the proportion of as from a unit or upon permitable to the proportion of as from a unit or upon permitable to the proportion of the proportion of the proportion of the properties and the proportion of the properties are the properties the properties are the properties and the properties are	commencement or production, vooling authority exists with respaces plus a maximum acreage to that a larger unit may be formany governmental authority havie law or the appropriate govern eland "gas well" means a well wonditions using standard lease opent of the gross completion and of the gross completion interest declaration describing the unit the leased premises shall be tractically but only to the extent such Lessee shall have the recurring of production, in order to confort out the confort of the production on which royaltie anent cessation thereof, Lessee	wherever Lessee dear eect to such other lands olerance of 10%, and ed for an oil welt or gas ng jurisdiction to do so mental authority, or, if ith an initial gas-oil rati is separator facilities or rival in facilities or rival in the reservoir ex and stating the effective eated as if it were pro- tion of the total unit pro- tion of the total unit pro- n proportion of unit pro- right but not the oblig m to the well spacing lade by such governm revision. To the extent eas are payable hereuni may terminate the unit	is or interests. The for a gas well or a gas well or a gas well or a swell or of the purpose of 100,000 cubic equivalent testing equivalent testing ceeds the vertical redate of pooling duction, drilling obduction which the duction is sold bation to revise any or density patternental authority. It any portion of the duction of the care shall thereafter

- 7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lesson's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premise
- The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferree to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.
- 9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of e area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.
- 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises. store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.
- 11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material. water, electricity, fuel, access or ea water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's
- obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

 12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

 13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and time affer said judicial determination that a breach or default and lessee fails to refer the offerited or canceled in whole or in part unless Lessee is given a reasonable time affer said judicial determination that a breach or default and lessee fails to not so.
- time after said judicial determination to remedy the breach or default and Lessee fails to do so.
- 14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.
- other behalf. Such subsurface well bore easements shall full with the land and survive any termination of this lease.

 15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.
- Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations.

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and das ourself. which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE)

By: Timothy C. Johnson	Sheila Surner By: Sheila H TURNER
ACKN	IOWLEDGMENT
STATE OF TAKENT OF TAKENT OF THIS instrument was acknowledged before me on the by:	day of, 2008,
KENNETH L. HURST SR My Commission Expires October 24, 2010	Notary Public, State of TEXS Notary's name (printed): Notary's commission expires:
STATE OF THE STATE	day of
KENNETH L. HURST SR My Commission Expires October 24, 2010	Notary Public, State of



DALE RESOURCES 2100 ROSS AVE # 1870 LB 9

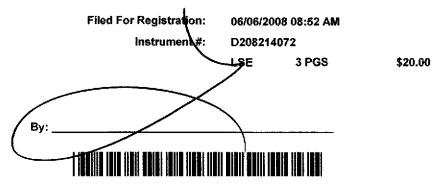
DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



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ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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